



## Child Day Care Financing Program

The Virginia Small Business Financing Authority's *Child Day Care Financing Program* (CDC) is designed to assist Virginia child day care providers in obtaining financing for fixed asset needs. The Virginia Small Business Financing Authority offers direct low-interest rate loans to regulated childcare providers for quality enhancement projects or to meet or maintain childcare standards.

<p><b><u>Eligible Borrowers:</u></b></p> <p><i>Child Day Care Centers</i></p> <ul style="list-style-type: none"> <li>Regulated providers as defined in the Code of Virginia 63.1-195. "Regulated may be 1) licensed by the Virginia Department of Social Services (DSS), or 2) filed as "religious-exempt" with the Virginia DSS.</li> </ul> <p><i>Family Home Provider</i></p> <ul style="list-style-type: none"> <li>"Regulated" provider may be 1) licensed by the Virginia DSS, 2) registered through the Voluntary Registration Program, 3) approved through a local DSS, 4) part of a Licensed Family Day Care System, or 5) participating in the USDA Food Program.</li> </ul>	<p><b><u>Amounts:</u></b></p> <p><i>Child Day Centers:</i> Up to \$50,000 \$250,000 maximum for parent or holding company.</p> <p><i>Family Home Providers:</i> Up to \$5,000</p> <p><b><u>Maximum Term:</u></b></p> <p><i>Child Day Centers:</i> Up to 5 years <i>Family Home Providers:</i> Up to 5 years</p> <p><b><u>Fees:</u></b></p> <p>Non-refundable application fee: <i>Child Day Centers:</i> \$100 <i>Family Home Providers:</i> \$15</p> <p><b><u>Interest Rate:</u></b></p> <p>WSJ Prime minus 3% fixed, however the rate would not be lower than 4%.</p>
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### **GENERAL ELIGIBILITY REQUIREMENTS:**

To be eligible to **apply** for assistance under the *Child Day Care Financing Program*, the applicant **must**:

- Be licensed or registered as a Family Home Provider or Child Day Center, be classified as "religious-exempt", or be in the process of applying to become licensed or registered.
- Be in "good standing" with the Division of Licensing Programs of the Department of Social Services.
- Demonstrate a reasonable assurance of repayment.
- Maintain business operations in Virginia.

Under the *Child Day Care Financing Program*, the loan proceeds can be used:

- For fixed asset purchases related to childcare such as playground equipment and equipment for infant care.
- For renovations or repairs necessary to comply with health and safety standards required by Dept. of Social Services, or to meet necessary requirements for children with special needs.
- To purchase buses (centers only).
- To purchase learning aids, tools or programs to aide in the development of the children.

Loan proceeds cannot be used for the purchase or improvement of land, building construction or improvement, working capital or to refinance or consolidate existing debt. Payments are made to vendor(s) or reimbursed for costs incurred after date of written loan approval.

For additional information and application materials, visit us on the Department of Business Assistance's website, [www.dba.state.va.us](http://www.dba.state.va.us) under *Financing* or call Faustine Dye, Manager, VSBFA Child Day Care Program, at (804) 371-2002.